

The Indiana Office of Energy & Defense Development

GUIDELINES FOR THE ALTERNATIVE FUEL VEHICLE GRANT PROGRAM

Grant Contact:

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ALTERNATIVE FUEL VEHICLE GRANT PROGRAM GUIDELINES

The Indiana Office of Energy & Defense Development (OED) is happy to offer the Alternative Fuel Vehicle Grant Program (AFV). The AFV Grant Program will offer cost-share grants to vehicle fleets that wish to make use of compressed natural gas (CNG), liquid petroleum gas (LPG), hydrogen or electric hybrids as alternatives to conventional gasoline or diesel fuel. Grants will be awarded for refueling infrastructure and vehicle purchase or conversion. Strong preference will be given to applicants who are Indiana Clean Cities members and to projects that are located in one of Indiana's non-attainment counties for ozone or PM2.5.

OED may award up to **\$75,000** in grant awards through this solicitation. If an insufficient number of high quality applications are received, OED may make total awards less than \$75,000 and execute another grant funding round beginning in October 2006.

Please read these guidelines carefully before requesting funds from the AFV Grant Program. These guidelines describe eligibility, funding limitations, the grant approval process, and specific information needed in the grant applications.

APPLICATION TIMELINE

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must be finished and all grant money must be drawn down by May 31, 2007. Additionally, each grantee will have to commit to use the alternative fuel until December 31, 2008, along with reporting data to OED.

June 23, 2006	-AFV Grant Program announced and posted to OED website.
September 1, 2006	-Applications must be received by OED and/or postmarked by this date in order to be eligible.
September 6, 2006	-E-mail confirmation will be sent out to each applicant verifying that the application was received.
September 22, 2006	-All applicants will be notified of their award or denial via e-mail. -Project can begin after award notification.
October 6, 2006	-Grant agreements will be generated and sent out by this date for those who received award notification.
January 15, 2007	-First quarterly report is due from grantees. Reporting will continue through grant expiration (January-April-July-October).
May 31, 2007	-Project must be completed and all grant money must be drawn down.
December 31, 2008	-Grant agreement expires.
January 31, 2009	-Final report is due.

ELIGIBILITY

Applicants

Eligible applicants are Indiana vehicle fleet owners. Individual vehicle owners are not eligible applicants. Examples include, but are not limited to: local governments, private businesses and non-profits.

In order to be eligible for consideration, applicants must abide by the following: projects must start and finish in the given timeline, **September 22, 2006-May 31, 2007** and the grantee will continue to use the alternative fuel until **December 31, 2008**.

Costs

Eligible project costs are expenses that are directly related to the use of alternative fuels and include the following:

- Public-access alternative refueling infrastructure
 - CNG, LPG and Hydrogen
- Vehicle conversion costs to use alternative fuels
 - CNG and LPG
- Incremental cost of a factory equipped alternative fuel vehicle purchase
 - CNG, Hydrogen and hybrid electric

Eligible projects must apply commercially available technologies. AFV grants will not be awarded to fund research projects.

GRANT AMOUNTS AND COST SHARE

Grant amounts are available up to a maximum of \$50,000, but no less than \$2,000. Grant amounts are determined according to the following:

- Public-access alternative refueling infrastructure
 - 50% of eligible project costs
- Vehicle conversion costs to use alternative fuels
 - 80% of the conversion costs for vehicles to use alternative fuels
- Incremental cost of a factory equipped alternative fuel vehicle purchase
 - 80% of the incremental cost of the vehicle when compared to its standard fuel equivalent.
 - Example: Electric hybrid vehicle costs \$13,000 and its standard equivalent costs \$10,000. \$3,000 incremental cost x 80% = \$2,400 grant

The remainder of project costs will be provided by the grantee or other non-federal project partners.

Only costs incurred after approval notification are eligible for funding. Projects can not begin until award notification on September 22, 2006. Costs incurred after approval and prior to execution of the grant agreement (contract) are made at the

applicant's risk. Funding is assured only after final execution of the grant agreement.

TERMS

Grants are only available for eligible applicants. OED reserves the right to fund none of the money allotted (\$0) to all of the money allotted (\$75,000), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The funds must be completely drawn down by May 31, 2007.** All grants from OED are on a reimbursement basis only. There is no advance payment with this grant program.

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the project covered in the contract. Recipients must disclose all federal awards received per year. Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

GRANT RESPONSIBILITIES

Reporting Requirements

A report is due at the end of each quarter and a final report at the end of the funding period. Quarterly reporting will commence January 2007 and will end with a final report in January 2009. The report will detail activities/results such as timelines, budget information including grant monies received, alternative fuel used, conventional fuel offset, average price per gallon equivalent of alternative fuel and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports which are due in January, April, July, and October of each year during the Grant Agreement. The reports will be used to track progress made by the grantee as well as used to report to the U.S. Department of Energy.

A final progress report will be due January 31, 2009. This final report will summarize all aspects of the project.

Maintain Communication

The grantee shall maintain communication with OED for the duration of the Grant Agreement.

Site Visits

Grantee shall allow OED to conduct project site visits when given (5) business days notice.

APPLICATION PROCESS

Interested applicants will fill out an Application Proposal Request on OED's website prior to submitting an application. This can be found at: www.energy.in.gov/applications Once this is submitted, each interested applicant must fill out an application and send it in along with all required documentation to OED by **September 1, 2006**.

GRANT APPROVAL

The Indiana Office of Energy & Defense Development administers the Alternative Fuel Vehicle Grant Program and will review and score all grant applications. If the applicant is approved by OED, a grant agreement will be drawn in order to establish the terms of the grant and other conditions needed to manage the grant. Award notification will be made by September 22, 2006 and grant agreements will be sent to awardees by October 6, 2006. Once the awardee signs and returns the grant agreement to OED, it will begin the State signature process. This process can take up to 8 weeks for completion. Upon completing the State signature process, the awardee may draw down on grant funds as the project is completed.

CONFIDENTIALITY INFORMATION

To the extent feasible and permissible by law, the Indiana Office of Energy & Defense Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public.

FOR MORE INFORMATION

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The Indiana Office of Energy & Defense Development may request additional information from an applicant to help evaluate an application.